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SUBJECT: Palm Oil Making a Comeback in the DRC

¶1. (U) Summary: Industrial palm oil harvesting and processing is reviving in a once agriculturally-productive region of the DRC. Emboffs visited a rehabilitated palm oil plantation near Lisala, Equateur province that has begun producing palm oil again after nearly 10 years of inactivity. Other crops grown in the region, including rubber, coffee, and cocoa, are also being processed for sale to local markets. This activity is increasing employment and access to health services for the local community, and is supplying much-needed raw materials for domestic industries in Kinshasa. Oil palm research and seedling production is also once again underway. End summary.

¶2. (U) USAID Food for Peace Officer and Econcouns visited the Group Blattner International (GBI) plantation at Binga, Equateur province, in late May. Binga is 130 kilometers (90 miles) north of Lisala, a town which is located on the Congo River about halfway between Kinshasa and Kisangani. GBI, whose owners include U.S. citizens, purchased the plantation in August 2004, including a non-operational palm oil factory, an agricultural research center, and dozens of colonial-era houses. A 300-bed hospital, originally built for plantation workers and their families, is now being rehabilitated as well. Binga Plantation is one of six separate plantations in Equateur province that GBI is rehabilitating.

Background

¶3. (U) Binga Plantation was originally created by a Belgian company in 1914. The plantation consists of over 10,000 acres of oil palms, nearly 5000 acres of rubber trees, 800 acres of coffee, and 500 acres of cocoa. Before the conflict that began in 1996 in the Congo, the plantation employed over 4000 workers; GBI now employs ¶656. There are 979 former employees waiting to be put back to work and another 440 who are share-cropping portions of the plantation. The original oil-processing plant was constructed in 1930, and still runs on steam generated by burning the residues of processing.

The Oil Factory

¶4. (U) Processing begins with the delivery of truckloads of oil palm "regimes", each of which weighs close to 20 pounds and consists of masses of fiber and palm nuts, which are bright orange when mature. These regimes have been harvested by hand from the tops of palm trees, 20 to 30 feet above the ground. At the factory, the regimes are cleaned and roasted in ovens before the nuts are separated from the fibers and prepared for pressing. The entire process, quite labor intensive, takes a few hours and yields two end products: raw palm oil, a thick, gooey, high-cholesterol liquid that is nearly solid at room temperature and must be further refined; and the fibers and pits from each palm nut, which are recycled to fire the boilers that create the steam to run the plant. Modern touches

include overhead electric lighting, powered by "palm gas", a three-to-one mixture of palm oil and diesel fuel, used to fuel 1000 KW generators.

Other Products

¶15. (U) The Binga Plantation also produces natural rubber, which is tapped like maple syrup from rubber trees and then brought to the plant in softball-sized lumps for processing. (Note: Modern rubber differs from the infamous rubber collected by force during the 19th century in the Congo, which came from a type of wild vine found in the forest. End note) The raw rubber is heated, cleaned and refined before being rolled out into thin sheets the size of bath towels for air curing. After a few days, the rubber sheets resemble thick, transparent leather and are formed into 80-pound bundles for shipping. GBI uses this natural rubber in the production of vehicle tires at its factory in Kinshasa.

Binga Research Station

¶16. (U) The Binga Agricultural Research Station opened in 1969 and based its work initially on experimental blocks of palm trees, planted there in the 1950s, and on a nearby Unilever Company experimental block. These trees provided the initial genetic stock from which the Binga Research Station began producing improved varieties of oil palms in the 1970s. (Note: the African oil palm, *Elaeis guineensis*, is native to the Congo basin, but the wild variety has large pits and very little oily pulp. End note.) Initial crosses were compared for oil production and resistance to the oil palm wilt disease, fusarium, referred to locally as "palm AIDS." When the best trees began producing after five years, the Binga station began marketing non-certified wilt-resistant palm seedlings, and this was followed in 1983 by the first certified wilt-resistant seedlings. Initial production of one million seedlings per year increased to 3.5 million per year by 1985. More than half of these seedlings, sprouted in indoor "hot rooms" at Binga, were exported under the trade name UNIPALM to African, South American, and Asian countries throughout the 1990s, including the sale of more than two million seedlings to Indonesia and Thailand in 1997 and 1998.

¶17. (U) Seedling production stopped in early 1999 in the war period. Until 2004, when GBI purchased and began rehabilitating Binga, very few seedlings were exported but the stock trees were maintained. Today, there are still 100 seed-producing trees, with 50 additional trees coming into production soon. The station is now producing 250,000 commercial seedlings per year. It uses palm seeds and pollen from a variety of sources including Angola, Cameroon, Nigeria, and Ivory Coast. The director of the station claims that Binga is now the source of the most diverse oil palm germplasm in the world.

Future Prospects

¶18. (U) GBI plans to continue investing in palm and rubber plantations in Equateur province. This includes replanting aging stands of oil palms and rubber trees (Note: Oil palms and rubber trees have a productive lifespan of about 25 years. End note.), enlarging and modernizing oil and rubber processing plants, and bringing more of what are essentially share-cropping operations into the GBI plantation system. All of these activities are expected to increase local employment and revitalize what has been for many years a moribund local economy. GBI is well-placed to market the produce of these rehabilitated plantations, all of which are within easy striking distance of the Congo River, since it has its own riverboat fleet to take palm oil and rubber down the Congo River to Kinshasa. There, it has a ready market for palm oil with producers who cannot get enough domestic products to fulfill their needs, and a use for natural rubber in GBI's own tire factory.

¶19. (U) Comment. The rehabilitation of existing palm and rubber plantations such as Binga is one important way to stimulate economic

growth in the DRC, supply domestic industry, and begin producing for export again. Even now, the Congolese industries that require raw palm oil for the production of cooking oil, soap, margarine and cosmetics must import oil from Indonesia and Malaysia. This is doubly ironic, since the DRC was once a palm oil exporter itself (over 400,000 metric tons per year in the 1970s) but now imports from the same countries to which it supplied improved oil palm seedlings to a little over 20 years ago. While investments such as GBI's are neither very large nor risky, they are still few and far between due to lack of infrastructure and a difficult regulatory environment. Basic agricultural goods, such as manioc, coming into Kinshasa are still heavily taxed despite the chilling effect that this has on up-country production. Hopefully the eventual success of an operation like Binga will convince others to invest similarly in the DRC and the GDRC will promote rather than hinder such efforts. End comment.

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